

Charitable Donations Policy

Policy

2019



Preamble

Nordiq Canada (operating name) is a Registered Canadian Amateur Athletic Association (RCAAA) under incorporated name Cross Country Ski de fond Canada, which is defined as having "as its major purpose and its primary function, the promotion of amateur athletics in Canada on a nation-wide basis." As such, Nordiq Canada/Cross Country Ski de fond Canada can issue income tax receipts for charitable donations. There are certain rules established by the Canada Revenue Agency (CRA) regarding charitable donations, which must be respected if Nordiq Canada is to retain its ability to issue tax receipts.

Purpose

The purpose of the Charitable Donation Policy is to ensure that Nordiq Canada/Cross Country Ski de fond Canada benefits from its status as a RCAAA, while at the same time respecting CRA provisions so as to protect this privileged status.

Summary of Key CRA Criteria – A Background to the Policy

General (Reference: Income Tax Act)

- a) Donations are gifts - a voluntary transfer of property to a charity.
- b) The property is usually cash, but may involve in-kind items such as capital property, personal property, an interest in property, a share, and so on. Gifts-in-kind or capital goods require determination of fair market value.
- c) The transfer carries no expectation of benefit to the donor or to anyone designated by the donor (unless the benefit is of nominal value).
- d) Contributions of services (time, skills, effort) are not considered property and do not qualify as gifts.
- e) Life insurance policies may qualify as gifts.

RCAAA's Receipts-Issuing Policy (7 Feb 95, CPS-007)

- a) The gift must be made to the RCAAA, without any implied or express condition or understanding that it be transferred to a local club or other beneficiary.

- b) There can be an agreement whereby local clubs raising funds receive back a percentage of the funds raised for activities consistent with the national overall purpose. The specific percentage must not form part of the solicitation or any agreement with a donor. Local clubs that receive such funding should account for the use of the funds and list the names of all athletes that receive subsidized training.
- c) A significant amount of the funds raised must be retained by the national body for its own use, for contingencies, or to re-distribute to other clubs. Simply charging an administration fee is not considered acceptable.
- d) The national body should require the names of all athletes who receive subsidized training.
- e) Charitable status may be revoked if the national body accepts a gift that is conditional on making a donation or payment to another person, society, club, etc.

The CRA permits the following:

- a) A charity may pay for services and later accept the payment or a portion of the payment as a gift, provided it is given voluntarily. A key element to establish a gift is an exchange of funds.
- b) Donations can be directed to particular programs of a charity, provided that no benefit accrues to the donor or to any person connected to the donor, and the charity decides how to use the gift.
- c) A national body may fund its member groups, as opposed to simply issuing receipts for gifts intended for those groups. This funding should be directed toward achieving the national body's mandate.

Nordiq Canada Policy

Nordiq Canada/Cross Country Ski de fond Canada will issue tax receipts for donations made to Nordiq Canada. The donation must be received on or prior to December 31 of every year in order for the tax receipt to be issued within the same fiscal period. Donations must be made directly to Nordiq Canada. Donations made directly to Divisions, clubs or training centres (e.g., a cheque made payable to a club) will not be eligible.

Donors may indicate an intention that their donation be used for a purpose or program related to the national objectives and mission of Nordiq Canada. Nordiq Canada will make every effort to meet this intent but has sole discretion in the use of donated funds.

Nordiq Canada will accept proposals made by Divisions and by individual clubs and training centres for projects they wish to undertake with support from Nordiq Canada. Proposals should indicate the nature of the project and how any funding from Nordiq Canada will be used. The proposal must clearly show the linkage between the project and Nordiq Canada's national objectives and mission. In general, projects that provide support for the development of athletes (e.g. Jackrabbits, national level or provincial level athletes) with the hope that they will acquire the skills to become part of the National Teams will satisfy this criterion. Contributions in support of national training centres, equipment, facilities and programming that support the national development of cross-country skiing in Canada are also consistent with this intent. The proposals may cover short-term or longer-term projects, and may remain valid for up to three years unless otherwise agreed between the parties.

Nordiq Canada will attempt to support and fund these proposals, and may use a portion of the funds donated to it, at its discretion, for that purpose. Recipients of funding must keep reports on the use of the funds provided to support an approved proposal and these reports must be provided to Nordiq Canada when requested. Reports must include a description of the activities undertaken and the associated costs, how this relates to the approved project proposal, other sources of funds for the project, and where the Nordiq Canada funds were used. Nordiq Canada may audit the expenditures associated with the project.

Nordiq Canada will use donations raised in a particular geographical area or in a specific fundraising campaign to fund approved projects in that area, provided that all other conditions for donations are met.

Fundraising campaigns must be approved in advance by Nordiq Canada and meet the criteria listed below, in order to ensure that Nordiq Canada has sufficient information to determine if a project can be funded and if a tax receipt can legitimately be issued.

Nordiq Canada will not issue tax receipts for donations that do not serve the national mandate or do not meet CRA criteria. The following examples illustrate situations that would generate concern that CRA criteria are not being met, and hence would be unlikely to receive a tax receipt without supporting information:

- a) a series of donations of the same amount from a club or area. This would suggest that the amount is a fee or “required donation” unless there is proper documentation of the associated fundraising campaign; and/or
- b) a donation directed to a club camp where a relative of the donor is one of 10 to 15 athletes participating (especially if the relative then received a reduction in the camp fee).

Nordiq Canada will not lend its registration number and receipt-issuing authority to another organization.

Procedures for Project Proposals, Fundraising and Funding

In order to avoid a situation occurring where a fundraiser has promised a tax receipt but Nordiq Canada is subsequently unable to issue one, prior approval by Nordiq Canada of fundraising initiatives is required. Projects will not be supported and tax receipts will not be issued without this prior approval.

Proposals for initiatives are made using the application form Application for Project Support Under the Charitable Donations Policy (available on the Nordiq Canada website) and must be submitted to the appropriate Division office for approval at the Division level, and then forwarded to Nordiq Canada for approval and potential funding. Proposals should be submitted and approved before fundraising efforts commence.

The CRA clearly will not allow tax receipts to be issued where donations are dedicated or directed to specific individuals. This limits the potential for donation programs to support programming activities such as training camps and competitions trips. If a corporate donor/sponsor requires, as a condition of their support, to have a tax receipt issued then that can be arranged in the name of the corporation. Nordiq Canada will not entertain such projects that solicit donations for individuals. Nordiq Canada will however support the raising of funds that provide for the employment of a full time or part time coach. Donations from relatives of athletes who will be coached by this individual will not be eligible for tax receipts. The intention of this support is that donations would be sought from outside the club and into the broader community and this strategy would be clear from the details requested in the project proposal application form.

For approved projects that receive funding support from Nordiq Canada, funds will be transferred from Nordiq Canada to the Division and then to the club or training centre, or directly to the club or training centre on a quarterly basis.

General Administration

Correspondence regarding this policy or the procedures for implementing it should be directed to the Director of Operations and Strategic Planning.

Application for Project Support under the Charitable Donations Policy

Club, Division or Training Centre

Name:

Address:

Club, Division or Training Centre Contact

Name:

Phone Number:

Email Address:

Project Details

Description of project:

Which part of Nordiq Canada's mission does this project support?

Get all Canadians on skis (e.g., trail or infrastructure improvements)

Put more Canadian athletes on podiums (e.g., programming, training and competition)

Who will solicit donations?

What is the target group that will be solicited for donations?

How will they be solicited (personally, telephone, e-mail, social media)?

What is the fundraising pitch?

How much are you trying to raise?

Do you have other sources of income for the project?

If specific athlete events are involved, what are they? Are the participants in the specific events known at the time of the fundraising?

What is the timeframe of the project?

Signatures

On behalf of the club, Division or training centre, I have read, understand and agree to comply with the Nordiq Canada Charitable Donations Policy, available on the Nordiq Canada website. I believe donations in support of this project are eligible for a charitable tax receipt.

Name:

Date:

Signature:

Please ask your Division office to sign below, and then submit the form to

fund@nordiqcanada.ca.

On behalf of the Division, Click or tap here to enter text., I encourage Nordiq Canada to support this project.

Name:

Date:

Signature: